

From Your Commissioner of the Revenue

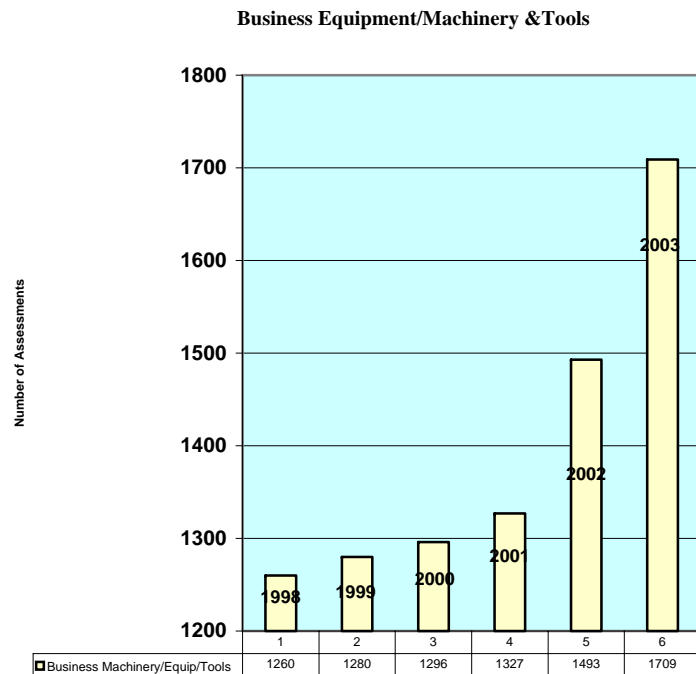
During the last edition (July 2003) of the *Culpeper Minutes* I discussed the effect the unprecedented growth in our community has had on the day to day work that my staff and I do in Office of the Commissioner of the Revenue. The second half of that article was continued to this edition.

With the increased growth, also comes the increase in the number of businesses. A business can include anything from Wal-Mart to a bed and breakfast, from tree and landscaping to a home-based consultant. Anyone receiving money (income) for providing a good or a service and is not an employee, is considered self-employed. As shown in **Chart 4, "Business Equipment/Machinery & Tools"**, the number of businesses located in Culpeper has increased significantly over the past two years. In this day and age of technology, many folks can do an assortment of jobs from the convenience of their own home. For the reporting year 2003, we mailed out over 1700 Business Equipment and Machinery & Tools reporting forms to businesses located in Culpeper.



Terry Yowell

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Assessment of business equipment and machinery & tools requires a great deal of time. The process includes getting the data base up to date, getting the reporting forms out in

As many of you know, the Commissioner's office processes State Income Tax Returns and quarterly estimated tax payments. Each year we help several thousand folks by preparing and processing their return and calculating their quarterly estimated tax liability. We screen for errors, key in accelerated refund returns, process tax due returns locally and work as a liaison between the taxpayer and the Department of Taxation to resolve discrepancies.

We also maintain assessments of mobile homes. There are approximately 500 mobile homes located in Culpeper. The biggest challenge we have in assessing mobile homes is establishing ownership. When a mobile home is purchased, the new owner must go to DMV and record the purchase just like a car (unless the mobile home is considered real estate and the title has been forfeited).

The mobile home park owners are required to submit a list of mobile homes located in their park on January 1 including owner name, address, year, make and model of the mobile home and the measurement. We cross-reference the lists with data sent to us by DMV and create new records of ownership. We send out personal property reporting forms to mobile home park owners for information and to

requires a great deal of time. The process includes getting the data base up to date, getting the reporting forms out in the mail and getting the reporting forms back from the business owners. Each return is reviewed for a complete asset listing, including purchase dates and cost. Any business report listing leased equipment must be cross-referenced with the reporting from the leasing company. Often times we need to compare the information reported for several years in order to help the taxpayer obtain a current and accurate list of equipment.

The Commissioner of the Revenue's office also administers the Tax Relief for the Elderly and Disabled program. Each year we process approximately 300 applications. From that number of applicants, we are able to provide assistance to an average of 260 clients each year. The County Board of Supervisors and the Town Council increased the cap for income and asset limitations for the year 2003, which enabled a number of folks to qualify or continue to qualify even after the 2003 General Reassessment values.

ownership. We send out personal property reporting forms to the owners we have on file using the information received from the various sources. Any corrections to our information made by the owner are updated in our system for valuation purposes before the property bill is mailed out in the fall.

Some other responsibilities of the Commissioner's office which you may not be familiar with is the assessment of Transient Occupancy (Lodging) tax, Minerals under development, Bank Franchise, Public Service Utilities and other personal property such as airplanes, boats and recreational vehicles.

One of the biggest challenges for this office has been the 1998 Personal Property Tax Relief Act (PPTRA) and the 2003 Personal Property Tax Relief Compliance Act. Many of you have experienced the effects of this legislation when you purchase a car, title a vehicle with DMV, register your vehicle with the Commissioner's office or purchase a Town or County vehicle decal.

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From Your Commissioner of the Revenue *(continued from page 26)*

Some of you may have received a refund for the relief portion of your personal property taxes paid while others may have received a bill for relief received that should not have been received. If your vehicle has a gross weight over 7500 pounds, the vehicle does not qualify for the relief. If the vehicle is owned by a

business, it does not qualify. If the vehicle has truck or farm plates, it does not qualify. Over 1400 tax adjustments (supplements and/or abatements) were processed in 2002. Most were a result of the 2003 Compliance Act.

If you use your vehicle for business purposes over 50%, it does not qualify

for the relief. Business expense may be claimed by depreciation, by mileage use or by employer reimbursement. If your vehicle is owned by a trust and the trust pays the personal property tax, it does not qualify for relief. What this means for the Commissioner's office is that we are required to use all sources available to establish use of each and every car, light truck and motorcycle. We must also visually inspect every single Return of Tangible Personal Property/Vehicle Decal License Application for your response to the business use question.

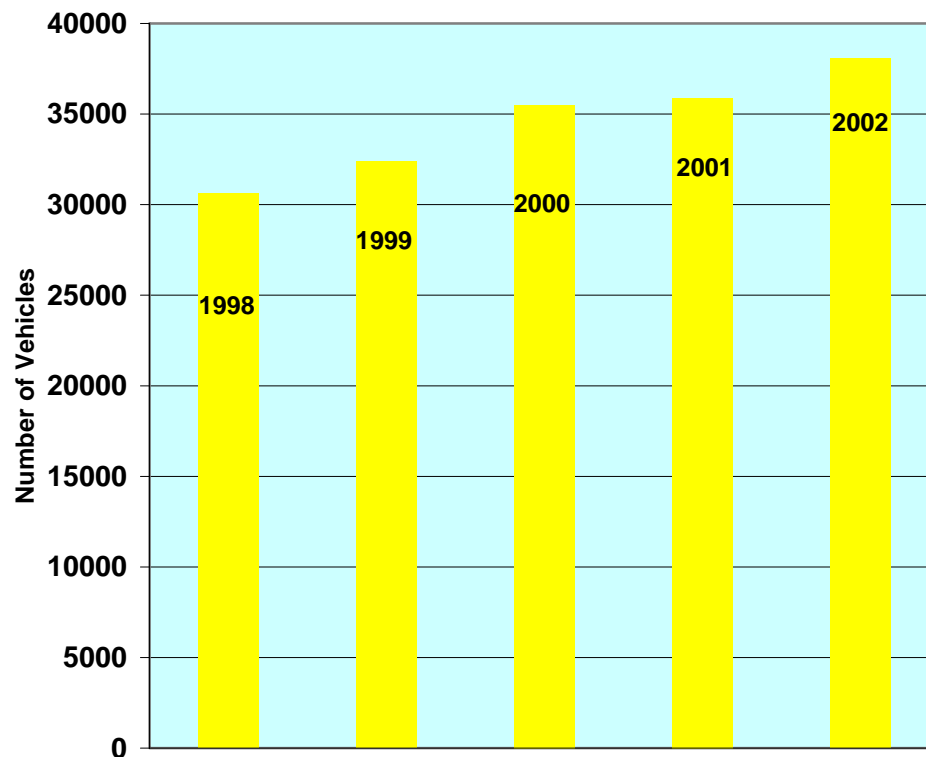
All Commissioners of the Revenue offices (or other assessing offices) will be subjected to an audit of the assessment of the personal property tax relief this year. If we are found to be significantly non-compliant, our percentage of error (if any) will be applied as a subtraction from the reimbursement of the relief dollars submitted back to the locality from the State.

Each year we add approximately 11,000 new vehicle records resulting from taxpayer registration/purchases and delete approximately 8800 due to taxpayer disposals. Of the 38,078 personal property records assessed in 2002 **Chart 5 "Personal Property Assessments"**, 32,181 were subject to the Personal Property Relief Act thus requiring the additional assessment for tax relief eligibility. All personal property must be assessed within a three to four month period.

While the growth in our area

Chart 5

Personal Property Assessments



There are a number of **important filing deadlines** coming up for 2004:

April 1

Tax Relief for the Elderly & Disabled

Tools	April 1	Tax Relief for the Elderly & Disabled
	May 1	Personal Property
	May 1	Business Personal Property and Machinery &
	May 1	Virginia Income Tax (2003 tax year)
	May 1	High Mileage Documentation
	November 1	Land Use Program
		new enrollment effective for the following tax
		year)

three to four month period.

While the growth in our area has presented considerable challenges for our office, our goals remain to provide you the best possible service and to do what we can to ensure no taxpayer pays more than his or her fair share of taxes. If you are unclear about any of the forms you receive, or if you are having difficulty with a deadline, please contact me. We are here to assist you.

According to Culpeper County Code Section 12-2 *Every person owning personal property subject to taxation by the County shall file a return with the Commissioner of Revenue declaring the same on or before the first day of May in the year in which such property is subject to taxation by the County. For failure to file such return on or before such day, the Commissioner of Revenue shall assess a penalty of ten percent (10%) of the amount of the tax otherwise assessed or two dollars (\$2.00), whichever is greater. Such penalty for late filing shall be due and payable at the time that the tax assessed is due and payable.*

Commissioner of the Revenue 540-727-3443